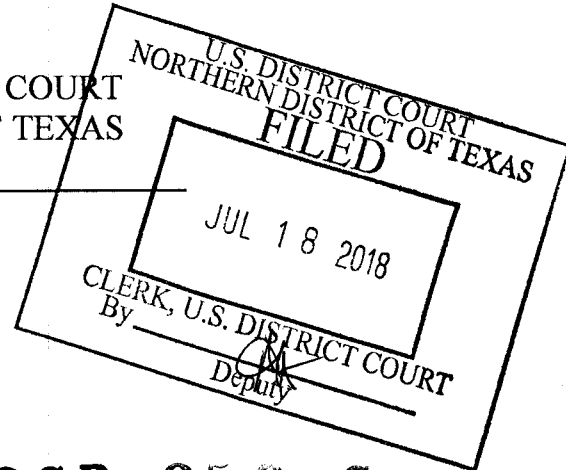


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



UNITED STATES OF AMERICA

v.

No.

THOMAS D. SELGAS (01)
MICHELLE L. SELGAS (02)
JOHN O. GREEN (03)

3-18CR-356-S

INDICTMENT

The Grand Jury Charges:

Introduction

At times material to this Indictment:

1. THOMAS SELGAS and MICHELLE SELGAS (together, the "SELGASES") were married.
2. JOHN O. GREEN ("GREEN") was an attorney licensed to practice in the State of Texas. GREEN maintained a number of Interest on Lawyers Trust Accounts (IOLTAs). The State Bar of Texas requires that lawyers who handle money for their clients must participate in the IOLTA Program, by depositing these funds into an IOLTA bank account at an eligible institution. All IOLTA accounts are trust accounts.
3. MyMail, Ltd. ("MyMail") was an intellectual property development and licensing partnership co-founded by THOMAS SELGAS in 2003.

4. During tax year 2005, MyMail settled various lawsuits against internet service providers for approximately \$6.8 million (hereinafter the "Settlement"), from which the SELGASES received a distribution of approximately \$1.1 million.
5. Dillon Gage Inc. ("Dillon Gage") was a metals trading firm used by the SELGASES to purchase and sell gold coins.
6. Sterling Trust Company was a financial services company, later acquired by Equity Trust Company ("Equity Trust"), through which the SELGASES opened Individual Retirement Accounts ("IRAs").
7. Camp Hendrick Trust ("Camp Hendrick") was a trust used by the SELGASES to title real property they owned in Athens, Texas.
8. The Internal Revenue Service ("IRS") was and is an agency of the United States Department of Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the United States.
9. On or about April 10, 2006, the IRS assessed federal income taxes against THOMAS SELGAS for the tax year 2002. On or about October 29, 2014, the IRS filed a notice of federal tax lien against THOMAS SELGAS with the Dallas County Clerk, in Dallas County, Texas for tax year 2002.
10. On or about January 28, 2009, the IRS assessed federal income taxes against the SELGASES, jointly, for the tax years 1998 through 2001. On or about October 29, 2014, the IRS filed notices of federal tax liens against the SELGASES with the Dallas County Clerk, in Dallas County, Texas for tax years 1998 through 2001.

11. On or about August 4, 2010, the IRS assessed federal income taxes against the SELGASES, individually, for tax year 2005.

Count One

Conspiracy to Defraud the United States
(Violation of 18 U.S.C. § 371)

12. Paragraphs 1 through 11 of this Indictment are re-alleged and incorporated by reference herein.
13. Beginning from at least in and around December 2005 and continuing up to and including in and around August 2017, the exact dates being unknown to the Grand Jury, in Dallas County, Texas, within the Northern District of Texas, and elsewhere, Defendants,

THOMAS D. SELGAS,
MICHELLE L. SELGAS, and
JOHN O. GREEN

did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to the Grand Jury to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the IRS in the ascertainment, computation, assessment, and collection of the revenue: *to wit*, the SELGASES' federal income taxes.

Manner and Means

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

14. The SELGASES would and did agree not to file accurate income tax returns.
15. The SELGASES and GREEN would and did cause the preparation and filing of a false amended IRS Form 1065, U.S. Return of Partnership Income ("Form 1065") on behalf of MyMail.
16. The SELGASES would and did sell and cause the sale of the gold coins.
17. The SELGASES and GREEN would and did deposit and cause to be deposited the proceeds from the sale of gold coins into GREEN's IOLTAs.
18. The SELGASES would and did transfer and cause to be transferred other personal funds into GREEN's IOLTAs.
19. THOMAS SELGAS would and did cause Equity Trust to distribute funds to him during tax years 2012 and 2015, which he did not report a on tax return.
20. The SELGASES would and did transfer ownership of their personal residence to a trust.
21. GREEN would and did use his IOLTAs to pay the personal expenses of the SELGASES.
22. One or more of the Defendants took steps to conceal his/her involvement in the existence of the conspiracy.

Overt Acts

In furtherance of the conspiracy, and to effect the objects thereof, members of the conspiracy and others, both known and unknown to the Grand Jury, committed and caused to be committed the overt acts below, among others, within the Northern District of Texas, and elsewhere:

23. On or about December 23, 2005, MICHELLE SELGAS directed the wire transfer of her distribution of MyMail income to Dillon Gage.
24. On or about December 27, 2005, the SELGASES purchased and caused to be purchased 7,090 gold coins through Dillon Gage.
25. On or about April 7, 2006, GREEN emailed the MyMail partners about the possible issuance of amended Schedules K-1, Partner's Share of Income, Deductions, and Credits, etc. ("Schedules K-1"), related to the 2005 Settlement Proceeds.
26. On or about October 11, 2006, the DEFENDANTS filed and caused the filing of a false amended IRS Form 1065 on behalf of MyMail, for tax year 2005, which underreported MyMail's income from the Settlement.
27. On or about October 11, 2006, THOMAS SELGAS and GREEN sent and caused to be sent to the MyMail partners false, amended Schedules K-1, for tax year 2005, which underreported each partner's share of MyMail's income from Settlement.
28. On or about October 19, 2006, the DEFENDANTS prepared and caused to be prepared, and submitted and caused to be submitted to the IRS, a statement "in

lieu of a Form 1040” for tax year 2005, which substantially underreported the SELGASES’ income for 2005.

29. On or about August 24, 2007, GREEN opened and caused to be opened an IOLTA at Wachovia Bank, N.A., account ending in 0758 (“Wachovia IOLTA”).
30. On or about January 31, 2008, the SELGASES used 1,667 gold coins, with an approximate value at the time of \$385,000, to purchase real property in Athens, Texas.
31. On or about June 28, 2008, the SELGASES opened and caused to be opened two IRAs with Sterling Trust Company and purchased and caused to be purchased gold coins through the IRAs.
32. On or about October 29, 2009, the SELGASES sold real property they owned in Garland, Texas, for a profit of \$142,000. Rather than pay the SELGASES’ taxes, the DEFENDANTS caused the funds to be wire transferred to Dillon Gage for the purchase of gold coins.
33. On or about the dates listed below, the DEFENDANTS deposited and caused to be deposited into GREEN’s Wachovia IOLTA checks in the amounts listed below, payable from Dillon Gage to THOMAS SELGAS, each such deposit constituting an overt act:

	Date	Check Amount
33.a	9/4/2007	\$8,275
33.b	9/24/2007	\$8,235
33.c	11/16/2007	\$7,890
33.d	11/26/2007	\$8,240
33.e	12/12/2007	\$8,060
33.f	12/27/2007	\$8,280

	Date	Check Amount
33.g	3/14/2008	\$9,960
33.h	3/28/2008	\$9,280
33.i	3/28/2008	\$9,448
33.j	4/4/2008	\$17,900
33.k	4/4/2008	\$9,080
33.l	5/9/2008	\$8,760
33.m	5/23/2008	\$18,460
33.n	6/10/2008	\$27,000

34. On or about the dates listed below, the DEFENDANTS deposited and caused to be deposited into GREEN's WACHOVIA IOLTA checks in the following amounts, payable from the payers listed below to THOMAS SELGAS and MICHELLE SELGAS, each such deposit constituting an overt act:

	Date	Check Amount	Payer
34.a	8/5/2008	\$2,500	LookLocally.com
34.b	8/14/2008	\$80	AAA Club Services, LLC
34.c	8/16/2008	\$19,000	Individuals identified by initials, J.H. and W.H.
34.d	2/27/2009	\$4,931	DirectBuy Inc.
34.e	3/17/2009	\$6,167.55	State Farm Lloyds
34.f	3/31/2009	\$6,988.88	State Farm Lloyds

35. On or about December 11, 2009, GREEN opened and caused to be opened an IOLTA at BBVA Compass Bank, N.A., account ending in 8393 ("Compass IOLTA").
36. On or about December 14, 2009, GREEN opened and caused to be opened an IOLTA at Bank of America, N.A., account ending in 8888 ("BOA IOLTA").
37. On or about the dates listed below, the DEFENDANTS deposited and caused to be deposited into GREEN's BOA IOLTA checks in the amounts listed below,

payable from the payers listed below, to THOMAS SELGAS and MICHELLE SELGAS, each such deposit constituting an overt act:

	Date	Check Amount	Payer
37.a	12/15/2009	\$1,000	Individuals identified by initials J.H. and W.H.
37.b	8/12/2010	\$8,708	Dillon Gage
37.c	4/04/2011	\$26,424	Dillon Gage
37.d	12/17/2011	\$1,000	Individual identified by initials, W.H.
37.e	7/17/2012	\$1,142.49	MyMail
37.f	1/26/2013	\$8,820.00	Individuals identified by initials, M.C. and S.C.
37.g	2/19/2014	\$7,875	Burleson, Page and Gibson
37.h	7/31/2014	\$5,402	Individuals identified by initials, T.C. and W.C.
37.i	8/26/2014	\$14,000	Individual identified by initials, W.H.
37.j	3/26/2015	\$2,700	Individuals identified by initials, W.C. and T.C.
37.k	4/29/2016	\$24,014.23	MyMail
37.l	6/11/2016	\$560	Individuals identified by initials, L.B. and R.B.
37.m	7/26/2016	\$2,450	MyMail
37.n	11/8/2016	\$8,128.86	MyMail
37.o	12/16/2016	\$13,993.61	MyMail
37.p	2/27/2017	\$302	Individuals identified by initials, W.C. and T.C.
37.q	12/23/2016	\$160	Individuals identified by initials, A.N. and M.N.
37.r	6/30/2017	\$7,937.50	MyMail
37.s	7/13/2017	\$6,312.50	MyMail

38. On or about the dates listed below, GREEN caused wire transfers in the amounts listed below from his BOA IOLTA to his Compass IOLTA, each such wire constituting an overt act:

	Date	Amount of Wire Transfer
38.a	9/9/2010	\$2,344.29
38.b	10/21/2010	\$5,764.73
	Date	Amount of Wire Transfer

38.c	10/29/2010	\$7,592.88
38.d	11/17/2010	\$5,868.93
38.e	12/17/2010	\$7,857.06
38.f	12/29/2010	\$7,336.51

39. On or about the dates listed below, GREEN paid and caused to be paid from his Wachovia IOLTA the SELGASES' personal expenses to the payees listed below in the amounts listed below, each such payment constituting an overt act:

	Date	Check Amount	Payee
39.a	9/5/2007	\$2,710.56	Citi Cards
39.b	9/29/2007	\$680.08	American Express
39.c	10/29/2007	\$2,069.33	Citi Cards
39.d	11/29/2007	\$4,411.52	Citi Cards
39.e	12/27/2007	\$4,019.40	Citi Cards
39.f	3/26/2008	\$20,594.52	Citi Cards
39.g	4/29/2008	\$11,609.08	Citi Cards
39.h	6/4/2008	\$18,089.78	Citi Cards
39.i	8/20/2008	\$11,421.96	Citi Cards
39.j	9/19/2008	\$8,037.85	Citi Cards
39.k	11/30/2008	\$8,428.04	Citi Cards
39.l	1/29/2009	\$4,076.78	Citi Cards
39.m	2/27/2009	\$4,087.17	Citi Cards
39.n	4/27/2009	\$8,124.46	Citi Cards

40. On or about the dates listed below, GREEN paid and caused to be paid from his Compass IOLTA the SELGASES' personal expenses to the payees listed below in the amounts listed below, each such payment constituting an overt act:

	Date	Check Amount	Payee
40.a	9/15/2010	\$373.24	Chase Card Services
40.b	9/25/2010	\$28.00	Individual identified by initials, K.V.
40.c	11/4/2010	\$551.54	American Express
40.d	11/14/2010	\$3,507.42	Citi Cards
40.e	2/4/2011	\$4,365.19	Citi Cards
40.f	4/6/2012	\$7,062.99	Citi Cards

41. On or about the dates listed below, GREEN paid and caused to be paid from his BOA IOLTA the SELGASES' personal expenses to the payees listed below in the amounts listed below, each such payment constituting an overt act:

	Date	Check Amount	Payee
41.a	8/6/2010	\$289.62	American Express
41.b	8/6/2010	\$3,768.53	Citi Cards
41.c	4/4/2011	\$24,500	Citi Cards (4375)
41.d	6/9/2011	\$7,500	Individual identified by initials, J.H.
41.e	1/29/2013	\$972.18	American Express
41.f	1/29/2013	\$4,523.45	Citi Cards
41.g	2/28/2013	\$6,001.51	Citi Cards
41.h	2/26/2014	\$1,255.11	Citi Cards
41.i	2/26/2014	\$500.64	American Express
41.j	3/26/2014	\$2,149.17	Citi Cards
41.k	4/30/2015	\$5,174.70	Citi Cards
41.l	5/30/2015	\$2,286.29	Citi Cards
41.m	8/1/2015	\$2,399.93	Citi Cards
41.n	8/1/2016	\$3,022.17	Citi Cards
41.o	9/5/2016	\$2,455.58	Citi Cards
41.p	12/29/2016	\$5,419.98	Citi Cards
41.q	8/5/2017	\$3,047.84	Citi Cards

42. On or about August 30, 2011, the SELGASES transferred and caused to be transferred title to the real property they owned in Athens, Texas, from their name into a trust in the name of Camp Hendrick.
43. On or about December 19, 2012, THOMAS SELGAS caused the distribution and took possession of 250 gold coins, with a value at the time of distribution of approximately \$109,790, from his Equity Trust IRA account ending in 634.

44. On or about February 1, 2013, THOMAS SELGAS sent and caused to be sent a letter to Equity Trust in an attempt to lower the gross distribution and taxable amounts reported on the IRS Form 1099-R for his 2012 IRA distribution.
45. On or about March 25, 2013, THOMAS SELGAS sent and caused to be sent a letter to Equity Trust in an attempt to lower the gross distribution and taxable amounts reported on the IRS Form 1099-R for his 2012 IRA distribution.
46. On or about May 26, 2015, THOMAS SELGAS caused the distribution and took possession of 599 gold coins, with a value at the time of distribution of approximately \$178,949, from his Equity Trust IRA account ending in 634.
47. On or about February 4, 2016, THOMAS SELGAS sent and caused to be sent a letter to Equity Trust in an attempt to lower the gross distribution amount reported on the IRS Form 1099-R for his 2015 IRA distribution.

All in violation of Title 18, United States Code, Section 371.

Count Two

Evasion of Payment for Tax Years 1998 through 2002 and 2005
(Violation of 26 U.S.C. § 7201)

48. Paragraphs 1 through 11 and 23 through 47 of this Indictment are re-alleged and incorporated by reference herein.
49. From in and around December 2005, through in and around August 2017, in the Northern District of Texas and elsewhere, THOMAS SELGAS willfully attempted to evade and defeat the payment of substantial income tax due and owing by him for the calendar years 1998 through 2002 and 2005, by committing the following

affirmative acts, among others:

- (a) dealing in gold coins;
- (b) converting distributions from MyMail and other income into gold coins;
- (c) depositing the proceeds from the sale of gold coins and other income into GREEN's IOLTAs; and
- (d) causing his personal expenditures to be paid from GREEN's IOLTAs.

In violation of Title 26, United States Code, Section 7201.

Count Three

Evasion of Payment for Tax Years 1998 through 2001 and 2005
(Violation of 26 U.S.C. § 7201)

50. Paragraphs 1 through 11 and 23 through 42 of this Indictment are re-alleged and incorporated by reference herein.
51. From in and around December 2005, through in and around August 2017, in the Northern District of Texas and elsewhere, MICHELLE SELGAS willfully attempted to evade and defeat the payment of substantial income tax due and owing by her for the calendar years 1998 through 2001 and 2005 by committing the following affirmative acts, among others:
- (a) dealing in gold coins;
 - (b) converting distributions from MyMail and other income into gold coins;
 - (c) depositing the proceeds from the sale of gold coins and other income into GREEN's IOLTAs; and
 - (d) causing her personal expenditures to be paid from GREEN's IOLTAs.

In violation of Title 26, United States Code, Section 7201.

A TRUE BILL


FOREPERSON

ERIN NEALY COX
UNITED STATES ATTORNEY


ROBERT A. KEMINS
Massachusetts Bar No. 267330

MARA A. STRIER

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IN THE UNITED STATES DISTRICT COURT
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THE UNITED STATES OF AMERICA

v.

THOMAS D. SELGAS (01)
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JOHN O. GREEN (03)

INDICTMENT

21 U.S.C. § 371

Conspiracy to Defraud the United States

1 Count

26 U.S.C. § 7201

Evasion of Payment for Tax Years 1998 through 2002 and 2005

2 Counts

A true bill rendered

FORT WORTH


FOREPERSON

Filed in open court this 18th day of July, 2018.

Warrant to issue on all defendants.


UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending